

LEG. FINANCE - BILLS 1981 - 1982 1/10

SB 720 - SB 732 *1710*



COMMITTEE REPORT  
SENATE

2/5/82

FURTHER: Finance

Date: 3-31-82

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 720

authorizing state assistance for the purchase of computers by school districts

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

do pass [ ] do not pass

[ ] do pass with attached amendments(s)

replace with CS for SB 720 (HESS)  same title  new title

and recommends \_\_\_\_\_

[ ] AND attaches a "Letter of Intent"  New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN

Original sponsor: Stimson

Offered: 4/5/82  
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 720 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing state assistance for the purchase  
7 of computers for education; and providing for an effective  
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. (a) The Department of Education may assist city and borough  
11 school districts and regional educational attendance areas to purchase com-  
12 puters for use in educational programs, including adult basic education, with  
13 money appropriated to the Department of Education for that purpose. Assis-  
14 tance under this Act may not exceed 50 percent of the cost of a computer.

15 (b) The Department of Education may assist a school district under (a)  
16 of this section only if the school board of the school district approves and  
17 submits to the department a district-wide plan for the use of computers  
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19 (c) The Department of Education may assist a regional educational  
20 attendance area under (a) of this section only if the regional school board  
21 approves and submits to the department a region-wide plan for the use of  
22 computers purchased.

23 (d) A plan adopted under (b) or (c) of this section shall identify  
24 local resources necessary to meet requirements for staff, in-service train-  
25 ing, the maintenance of computer hardware, and the procurement of computer  
26 software.

27 \* Sec. 2. This Act takes effect July 1, 1982.

Introduced: 2/5/82  
Referred: Health, Education  
& Social Services and  
Finance

1 IN THE SENATE

BY STINSON

2 SENATE BILL NO: 720

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

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COMMITTEE COPY

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST.

Bill/Resolution No. SB 720

Title An Act authorizing state assistance for the purchase of computers by school districts

Requested by Senate Mess

Date April 1, 1982

II. FISCAL DETAIL

Agency Affected Education

Program Category Affected Elementary and Secondary

BRU, Program, Or Subprogram(s) Affected Education Design and Delivery

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1,275.0				
TOTAL	-0-	1,275.0	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-0-	1,275.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

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FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

SB 721, the appropriation bill for this measure, would provide 1,275.0 for the purpose of this bill. That amount would be sufficient.

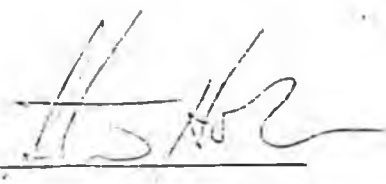
IV. DATE April 1, 1982

PREPARED BY Steve Hole

AGENCY Education

Original: Legislative Finance

PHONE 485-2090



# CORRECTION

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

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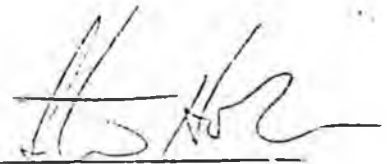
IV. DATE April 1, 1982

PREPARED BY Steve Mole

AGENCY Education

PHONE 465-2690

Original: Legislative Finance



ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE BILL NO. 720

By STIMSON

"An Act authorizing state assistance for the purchase of computers by school districts; and providing for an effective date."

Introduced in the Senate 2/5/82, 19 82

HISTORY IN THE SENATE

19	82	Read first time and referred to Committee on												
2	5	HESS and Finance												
4	5	Reported back with <i>HESS</i> recommendation that <i>replace w/ES, new title, if do pass to Gov.</i>												
		Read second time and												
		Read third time and												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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		Reported correctly engrossed Signed by President Sent to House												
SECRETARY OF THE SENATE														

HISTORY IN THE HOUSE

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		Reported correctly engrossed Signed by Speaker Returned to Senate												
CHIEF CLERK OF THE HOUSE														

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 720

Title An Act authorizing state assistance for the purchase of computers by school districts  
Requested by Senate Hess Date April 1, 1982

II. FISCAL DETAIL

Agency Affected Education

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BRU, Program, Or Subprogram(s) Affected Education Design and Delivery

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IV. DATE April 1, 1982

PREPARED BY Steve Hole

AGENCY Education

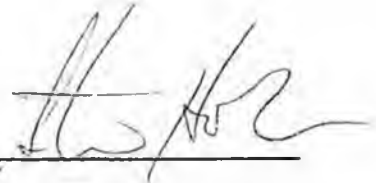
Original: Legislative Finance

PHONE 465-2890

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)



Introduced: 2/5/82  
Referred: Health, Education  
& Social Services and  
Finance

1 IN THE SENATE

BY STIMSON

2 SENATE BILL NO. 720

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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14 \* Sec. 2. This Act takes effect July 1, 1982.

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Original sponsor: Stimson

Offered: 4/5/82  
Referred: Finance

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BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

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Introduced: 2/5/82  
Referred: Health, Education &  
Social Services and Finance

1 IN THE SENATE

BY STIMSON

2 SENATE BILL NO. 719

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing that the Department of Education  
7 conduct a computer network study; and providing for an  
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The legislature recognizes

11 (1) that the Department of Education has experience with an opera-  
12 tional compute -based administrative communication system that ties together  
13 a substantial percentage of the school districts and regional educational  
14 attendance areas in the state;

15 (2) that many of the schools have their own micro computers and  
16 that many individuals at the schools have their own personal computers; and

17 (3) the desirability of extending the communications capability to  
18 administrators and staff of local schools to aid in local administrative and  
19 instructional activity.

20 \* Sec. 2. The Department of Education shall conduct a study of the feasi-  
21 bility and benefits and costs of a system of computer networks that would  
22 enable schools to use computer communications for the purposes of instruction  
23 and administration. The Department of Education shall also undertake a study  
24 of the means by which computers used in education may be made compatible  
25 statewide.

26 \* Sec. 3. The Department of Education shall report its findings to the  
27 First Session of the Thirteenth State Legislature within the first 10 days of  
28 the session.

29 \* Sec. 4. This Act takes effect July 1, 1982.

I. REQUEST

Bill/Resolution No. SB 719

Title An Act providing that the DOE conduct a computer network study

Requested by Senate Hess

Date April 1, 1982

II. FISCAL DETAIL

Agency Affected Education

Program Category Affected Elementary and Secondary

ERU, Program, Or Subprogram(s) Affected Education Design and Delivery

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

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600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	50.0	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	-0-	50.0	-0-	-0-	-0-	-0-
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE April 1, 1982

PREPARED BY Steve Hole

AGENCY Education

PHONE 465-2800

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Department of Education  
May 12, 1982

INFORMATION SHEET  
REF.: SENATE BILL NO. 719  
NETWORKING OF MICROCOMPUTERS

Microcomputers have become an important factor in Alaskan education. The Office of Educational Technology and Telecommunications estimates that there are over 600 microcomputers in Alaskan schools. The majority of these machines are configured to deliver computer assisted instruction to students.

With the addition of an inexpensive device called a micromodem, microcomputers are capable of rapidly transmitting electronic messages from one computer to another over telephone lines. This capability creates the potential for networking educational microcomputers throughout the state. Possible educational uses for microcomputer networking include:

Student Usage

1. Accessing computerized information resources.
2. Communicating with students from other schools.

Teacher usage

1. Sharing professional information between schools.
2. Accessing information from educational resources such as ERIC and RICE through information utilities.
3. Communicating with content area specialists.
4. Sharing teacher produced educational software.

Administrator Usage

1. Expediting communications within school districts through:
  - a. immediate transmission of meeting schedules, announcements, policies, employee work hours, etc.;
  - b. transmission of student records; and
  - c. transmission of budgetary information.
2. Gaining access to department's EMS system from schools.
3. Ability to retrieve and down load information from Department of Education's DEC computer, state IBM computer and the university's Honeywell computer.

The feasibility study proposed by Senate Bill No. 719 has a potential for benefit in the following areas:

1. Potential educational uses of microcomputer networking would be identified.
2. The compatibility of various hardware and software systems would be examined.
3. Equipment reliability and operating costs could be assessed.
4. A feasibility study would result in a plan for implementing educational networking on a statewide basis. The plan would provide a blueprint for the development of a functional statewide educational networking system.

## Computers in Education

### Rationale for Use

- 50% of jobs today are in computer-related industry
- 1990 -- 5 of 6 occupations with most openings will be in computer-related jobs
- Vast majority of Alaskan educators and students have little or no exposure to computers

### Uses in Education

- Computer Science, study of how the computer works, programming, and computer systems
- Computer-assisted instruction (CAI) an instructional tool for teachers, an instructional aid for students.

### CAI Research Findings

- Higher student achievement with CAI over traditional instruction alone
- Less student time required to complete CAI learning tasks
- Improved attitude toward subject matter
- Retention consistent with traditional approaches

### Basic Pre-requisites for Use of Computers in Schools

- Computer budget must include planning, courseware purchase, training costs, and equipment costs to insure a successful application.
- Computers do not replace teachers, however, they greatly enhance teacher effectiveness, and efficient use of teacher time.
- School districts need in-service training from outside sources -- computer technology is advancing rapidly and educators have not had an opportunity to learn about computers through their pre-service preparation.

## MEMORANDUM

State of Alaska

TO: House HESS

DATE: March 22, 1982

FILE NO:

TELEPHONE NO:

FROM: Ed Obie  
 Manager  
 ETA Program

SUBJECT: Computers in  
 Education

	<u>Site</u>	<u>Students</u>	<u>Computers</u>	<u>Student/Com. Ratio</u>
(A)	Anchorage	38,745	150	250/1
	Fairbanks	11,622	26	447/1
	Juneau	4,098	11	372/1
	Kenai	6,716	23	292/1
	Mat-Su	4,950	4	1237/1
	Ketchikan	4,828	9	536/1
	Lower Kuskokwim	1,015	30	33/1
	Dillingham	377	6	62/1
	Cordova	414	3	138/1
	Delta/Greely	835	2	417/1
	Sitka	1,769	2	884/1
	Valdez	880	7	125/1
	Galena	140	1	140/1
(B)	90,000	Student enrollment - Alaska Public Schools		
	547	Computers total - ratio 164/1		
(C)	Anchorage			
	Fairbanks			
	Juneau	70,959 students		Computers/students
	Kenai	223 computers		318/1
	Palmer			
	Ketchikan			

# MEMORANDUM

State of Alaska

TO: Senate HESS

DATE: March 22, 1982

FILE NO:

TELEPHONE NO:

FROM: Ed Obie *EO*  
Manager  
ETA Program

SUBJECT: Computer Hardware  
Cost Projections

---

Here is a recap of the figures used for computer costs in SB 721. These figures are based on an average of twenty (20) students per classroom.

- 4500 classrooms statewide
- 1 computer per classroom
- 500 computers currently in classrooms

This would require the purchase of some 4,000 units @ \$1,700.00 average per unit. Total cost for these units would be \$6,800,000.00. On a 50/50 local match the figure is reduced to \$3,400,00.00. If we spread this over three years, we have \$1,133,333.00 per year. Given some 30 Adult Basic Education regional sites exist, we round the figure off at \$1,275,000.00 per year.

EO/dh

Introduced: 2/5/82  
Referred: Health, Education &  
Social Services and Finance

1 IN THE SENATE

BY STIMSON

2 SENATE BILL NO. 719

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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27 First Session of the Thirteenth State Legislature within the first 10 days of  
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29 \* Sec. 4. This Act takes effect July 1, 1982.

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COMMITTEE REPORT  
SENATE

2/5/82

FURTHER: Finance

Date: 3-31-82

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 721

making a special appropriation to the Dept. of Education to assist in the purchase of computers for the school districts of the state

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

do pass [ ] do not pass

[ ] do pass with attached amendments(s)

replace with CS for SB 721 (HESS) ~~same title~~ new title

and recommends \_\_\_\_\_

[ ] AND attaches a "Letter of Intent"  New Fiscal Note NO

[ ] reports it back without recommendation

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS  
[Signature]  
[Signature]  
[Signature]  
[Signature]

MEMBERS HAVING  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN

Original sponsor: Stimson

Offered: 4/5/82  
Referred: Finance

Funding Information

General Fund	\$1,275,000
Other Funds	-0-
	<u>\$1,275,000</u>

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 721 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Department of Education to assist in the purchase of computers for education in the state; and providing for an effective date."

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. The sum of \$1,275,000 is appropriated from the general fund  
12 to the Department of Education for the purchase of computers for use in city  
13 or borough school districts, regional educational attendance areas, and for  
14 adult basic education in the state.

15 \* Sec. 2. The appropriation made by this Act is for a capital project and  
16 is subject to AS 37.25.020.

17 \* Sec. 3. This Act takes effect on the effective date of an Act authoriz-  
18 ing state assistance for the purchase of computers for education.

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Introduced: 2/5/82  
Referred: Health, Education &  
Social Services and Finance

Funding Information  
General Fund \$1,275,000  
Other Funds -0-  
\$1,275,000

1 IN THE SENATE

BY STIMSON

2 SENATE BILL NO. 721

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Education to assist in the purchase of computers  
8 for the school districts of the state; and providing  
9 for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. The sum of \$1,275,000 is appropriated from the general fund  
12 to the Department of Education for the purchase of computers for use in the  
13 school districts of the state.

14 \* Sec. 2. The appropriation made by this Act is for a capital project and  
15 is subject to AS 37.25.020.

16 \* Sec. 3. This Act takes effect on the effective date of an Act authoriz-  
17 ing state assistance for the purchase of computers by school districts.

ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE BILL ..... NO. ...721.

By ...STIMSON.....

"An Act making a special appropriation to the Department of Education to assist in the purchase of computers for the school districts of the state; and providing for an effective date."

Introduced in the Senate ...2/5/82, 19...82

HISTORY IN THE SENATE

19	82	Read first time and referred to Committee on HESS and Finance											
2	5	Reported back with <i>HESS</i> recommendation that <i>replace</i> <i>CS44 do passed to Fin, new date</i>											
		Read second time and											
		Read third time and											
		<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	
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SECRETARY OF THE SENATE													

HISTORY IN THE HOUSE

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		Reported back with recommendation that											
		Read second time and											
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		Reported correctly engrossed Signed by Speaker Returned to Senate											
CHIEF CLERK OF THE HOUSE													

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

Funding Information

General Fund \$1,275,000  
Other Funds -0-  
\$1,275,000

Introduced: 2/5/82  
Referred: Health, Education &  
Social Services and Finance

1 IN THE SENATE

BY STIMSON

2 SENATE BILL NO. 721

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Education to assist in the purchase of computers  
8 for the school districts of the state; and providing  
9 for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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17 ing state assistance for the purchase of computers by school districts.

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Original sponsor: Stimson

Offered: 4/5/82  
Referred: Finance

Funding Information  
General Fund \$1,275,000  
Other Funds -0-  
\$1,275,000

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 721 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Education to assist in the purchase of computers  
8 for education in the state; and providing for an effec-  
9 tive date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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COMMITTEE REPORT  
SENATE

2/5/82

FURTHER: Finance

Date: 3-13-82

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 722

making a special appropriation to the Dept. of Education for a computer network study

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

1 [Signature]

1 [Signature]

1 [Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1 [Signature]  
CHAIRMAN

Funding Information  
General Fund \$50,000  
Other Funds -0-  
\$50,000

Introduced: 2/5/82  
Referred: Health, Education &  
Social Services and Finance

1 IN THE SENATE

BY STIMSON

2 SENATE BILL NO. 722

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Education for a computer network study; and  
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$50,000 is appropriated from the general fund to  
11 the Department of Education for a study of

12 (1) the benefits and costs of a system of computer networks to  
13 enable schools connected into the Department of Education's computer communi-  
14 cations network to use computer communication capabilities of the Department  
15 of Education for instruction and administration; and

16 (2) means by which the computers may be made compatible statewide.

17 \* Sec. 2. This Act takes effect on the effective date of an Act providing  
18 that the Department of Education conduct a computer network study.

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND. Session

SENATE BILL..... NO. 722...

By ..STIMSON.....

"An Act making a special appropriation to the Department of Education for a computer network study; and providing for an effective date."

Introduced in the Senate ..2/5/..., 19...82

HISTORY IN THE SENATE

19	82	Read first time and referred to Committee on										
2	5	HESS and Finance										
4	5	Reported back with <i>HESS</i> recommendation that <i>4 to pass to finance.</i>										
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HISTORY IN THE HOUSE

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HISTORY IN THE SENATE

19		Received from House
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		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

Funding Information	
General Fund	\$50,000
Other Funds	-0-
	<u>\$50,000</u>

*provided by  
fiscal note in  
SB 719*

Introduced: 2/5/82  
Referred: Health, Education &  
Social Services and Finance

1 IN THE SENATE

BY STIMSON

2 SENATE BILL NO. 722

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

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16 (2) means by which the computers may be made compatible statewide.

17 \* Sec. 2. This Act takes effect on the effective date of an Act providing  
18 that the Department of Education conduct a computer network study.

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# CORRECTION

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY

Funding Information  
General Fund \$50,000  
Other Funds -0-  
\$50,000

*provided by  
fiscal note in  
SB 719*

Introduced: 2/5/82  
Referred: Health, Education &  
Social Services and Finance

1 IN THE SENATE

BY STIMSON

2 SENATE BILL NO. 722

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

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COMMITTEE REPORT  
SENATE

2/9/82

FURTHER: Finance

Date: \_\_\_\_\_

Mr. President:

The Committee on TRANSPORTATION has had SB 728

making a special appropriation to the Dept. of Transportation & Public Facilities for the Girdwood-Alyeska pathway

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Alan Gelman

John Sackitt

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Bill Ray No Rec

Dunbar - No Rec.

\_\_\_\_\_

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\_\_\_\_\_

Bill Ray  
CHAIRMAN  
DO PASS

Introduced: 2/9/82  
Referred: Transportation and  
Finance

Funding Information

General Fund	\$1,675,000
Other Funds	-0-
	<u>\$1,675,000</u>

1 IN THE SENATE

BY COLLETTA, GILMAN AND STIMSON

2 SENATE BILL NO. 728

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities for the  
8 Girdwood-Alyeska pathway; and providing for an effec-  
9 tive date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. The sum of \$1,675,000 is appropriated from the general fun-  
12 to the Department of Transportation and Public Facilities for construction of  
13 a 3.7 mile, paved Girdwood-Alyeska pathway.

14 \* Sec. 2. The appropriation made by this Act is for a capital project and  
15 is subject to AS 37.25.020.

16 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

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ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE ..BILL..... NO. ..728..

By ..COLLETTA.....

"An Act making a special appropriation to the Department of Transportation and Public Facilities for the Girdwood-Alyeska pathway; and providing for an effective date."

Introduced in the Senate .....2/9/19....82

HISTORY IN THE SENATE

19	82	Read first time and referred to Committee on																						
2	9	Trans. and Finance																						
2	17	Reported back with <i>Transp. recommendation that 3 do pass, 1 no rec, fail</i>																						
		Read second time and																						
		Read third time and																						
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CHIEF CLERK OF THE HOUSE																								

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 728  
 Title Appropriation for Girdwood/Alyeska Pathway  
 Requested by Colletta, Gilman & Stimson Date 2/11/82

II. FISCAL DETAIL

Agency Affected Department of Transportation and Public Facilities  
 Program Category Affected Transportation  
 BRU, Program, Or Subprogram(s) Affected \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	1,675.0					

FUNDING (Thousands of Dollars)

GENERAL FUND	1,675.0					
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation instruction, Section III)

Description: Construction of an 8-foot paved pathway along north side of Girdwood - Alyeska Highway from the Old School to the lodge parking lot and south side between the Crow Creek Highway to Hightower Road and Timberline Drive to the parking lot, and also a spur up Hightower Road to the new school. Includes new bridge across Glacier Creek. Length 3.7 miles

Estimated Costs: \$1,675,000

Operational Aspects: Responsibilities for maintenance have yet to be determined.

Estimated Costs - Municipality of Anchorage

° Parks and Recreation Dept. utilized a \$1,500 per mile figure for estimating maintenance costs (year round).  
 $\$1,500 \times 3.7 \text{ mile length} = \$5,550.00 \text{ (Annually)}$

° Another mechanism would be for the Municipality of Anchorage to pass maintenance funds through to the Girdwood Board of Supervisors to handle maintenance efforts perhaps through local contract.

Estimated Costs - DOT/PF Maintenance Section

DOT/PF M & O currently does not own the proper equipment to maintain a pathway of this type. If DOT/PF maintenance forces were to be responsible, the necessary equipment would have to be purchased.

Initial Purchase of Equipment - 730J Rotary Snow Blow Bombardier MTD 500 TPH - cost \$60,188.

Annual maintenance and operating costs \$15,500 (30 hrs. monthly - amortize equipment - Dec., Jan., Feb., & March - manpower @ \$25.00/hr.)

Another option would be for DOT/PF to pass thru money made available to a local service supplier.

Introduced: 2/9/82  
Referred: Transportation and  
Finance

Funding Information  
General Fund \$1,675,000  
Other Funds -0-  
\$1,675,000

1 IN THE SENATE

BY COLLETTA, GIMAN AND STIMSON

2 SENATE BILL NO. 728

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities for the  
8 Girdwood-Alyeska pathway; and providing for an effec-  
9 tive date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. The sum of \$1,675,000 is appropriated from the general fund  
12 to the Department of Transportation and Public Facilities for construction of  
13 a 3.7 mile, paved Girdwood-Alyeska pathway.

14 \* Sec. 2. The appropriation made by this Act is for a capital project and  
15 is subject to AS 37.25.020.

16 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

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Original sponsor: Resources Committee

Offered: 4/16/82  
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 732 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to mineral extraction from state land;  
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. PURPOSE. The purpose of sec. 2 of this Act is to require a  
10 locator or lessee of locatable mineral deposits on state land to obtain a  
11 license from the Department of Natural Resources authorizing production from  
12 that land. This requirement applies to all existing and future mining opera-  
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15 Alaska and believes that it satisfies the requirements of sec. 6(i) of the  
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17 \* Sec. 2. AS 38.05 is amended by adding a new section to read:

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3 (b) If the commissioner determines under AS 38.05.185(b) that a  
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9 the conflict.

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17 state land exceeding in the aggregate acreage 5,120 acres, except that  
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1 beneficial interest in the lease.

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25 contain workable mineral deposits. Submerged lands containing known  
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11 production costs and market.

12 \* Sec. 6. Sections 1 - 3 of this Act take effect January 1, 1983.

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THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SB 732 (Finance)  
 Title Relating to issuance of production licenses of mineral extraction  
 Requested by Senate Finance Date 4-3-82

II. FISCAL DETAIL

Agency Affected Department of Natural Resources  
 Program Category Affected Management of Mineral Resources  
 BRU, Program, Or Subprogram(s) Affected Mineral Development  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		38.6	41.6	44.6	48.0	51.6
200 TRAVEL		1.8	0.6	0.7	0.8	0.9
300 CONTRACTUAL		6.0	6.0	6.0	6.6	7.3
400 COMMODITIES		0.9	1.0	1.1	1.2	1.3
500 EQUIPMENT		0.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		47.9	49.2	52.4	56.0	61.1

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		47.9	49.2	52.4	56.0	61.1
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The issuance of production licenses for mining operations will consist of four elements: 1) submission of the application by the miner; 2) adjudication of the application by the Division of Minerals and Energy Management (DMEM); 3) publication of notice of intent to issue the production license by DMEM; and 4) issuance of the license by DMEM.

One new position within DMEM is anticipated to be required to handle this administrative load: A Land Management Officer II. In FY 83 this person will prepare regulations and design an appropriate license form in conjunction with the Department of Law. Issuance of the licenses will start in mid-FY 83. It is anticipated that the work load for this project will remain

(Continuing on attached page)

IV. DATE April 5, 1982 PREPARED BY Jeff Haynes  
 AGENCY Natural Resources, DMEM  
 Original: Legislative Finance PHONE 465-2400  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)



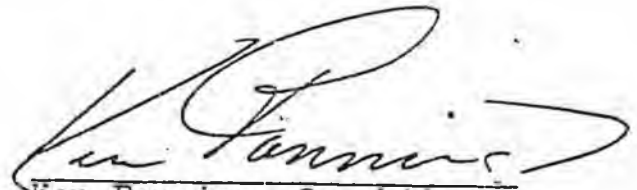
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LETTER OF INTENT - CSSB 732

The Committee contemplates that the production license will be used solely for the purpose of complying with the requirement of this statute. The license should not be used to impose other restrictions, conditions or fees. Any stipulation not absolutely essential to the implementation of this statute may only be required if necessitated by other applicable law.

The Committee does not contemplate that enactment of this statute will require the Department of Natural Resources to determine the validity of mining claims. In other words, the Department should not challenge claims for failure to have made a valuable discovery on the grounds that to do so is necessary to assure compliance with this statute. The sworn intent of the locator to commence production is sufficient evidence for the purpose of this statute that a valuable discovery has been made. This Act should not be interpreted to preclude the Department from determining, as it now does, that a claim is in good standing. Thus, the Department may continue to check affidavits of annual labor, land status, and other conditions which are necessary to maintain a claim under otherwise applicable law.

The committee does not intend that the Department of Natural Resources will become involved in difficult and protracted conflicts between mining claimants. However, the Commissioner is vested with some discretion to adjudicate minor conflicts which do not involve complicated factual or legal issues. This authority should help reduce legal costs and avoid lengthy litigation where any minor conflict exists. It is contemplated that the Commissioner's discretion will be used sparingly and that the vast majority of conflicts will be resolved outside of the administrative process.



Ken Fanning, Co-chairman  
Resources Committee

Original sponsor: Resources Committee

Offered: 4/16/82  
Referred: Finance

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7 qualified applicant. No permit may include an area larger than 2,560  
8 acres, subject to the rule of approximation. Lands subject to a  
9 prospecting permit shall be as compact in form as possible taking into  
10 consideration the area involved. The term of the permit shall be seven  
11 [10] years. Prospecting permits shall be conditioned upon payment of  
12 rental against which credit shall be given for useful expenditures on  
13 land covered by the permit or group of contiguous permits under common  
14 ownership or assignment. Excess expenditures may be applied against  
15 rentals due for the following two years. The rental shall be \$3 [\$1]  
16 per acre for the first two-year period of the permit, payable at the end  
17 of the period, and \$1 per acre for each year thereafter, payable at the  
18 end of each year. No minerals from lands under a prospecting permit may  
19 be mined and marketed or used, except for limited amounts necessary for  
20 sampling or testing.

21       (b) Upon discovery, the right to possess and extract the minerals  
22 may be acquired by noncompetitive lease. A noncompetitive lease shall  
23 be granted to a holder of a prospecting permit for so much of the land  
24 subject to the permit as is shown to the satisfaction of the director to  
25 contain workable mineral deposits. Submerged lands containing known  
26 deposits of minerals subject to AS 38.05.185 - 38.05.275 may, in the  
27 discretion of the director, be offered by competitive bid. These lands  
28 shall be leased to the responsible qualified person offering the highest  
29 amount of cash bonus.

1 (c) Leases for submerged lands shall be conditioned upon payment  
2 of an annual rental of \$3 [\$1] an acre. Expenditures on or for the  
3 benefit of the leasehold may be credited against the rental. Rent shall  
4 be paid or a statement of annual labor shall be filed within 90 days  
5 after each anniversary date of the lease. All submerged land mining  
6 leases shall be for a period of up to 10 [55] years, and for so long as  
7 there is production in paying quantities from the leased area. [THE  
8 LESSEE HAS A RIGHT TO A NEW LEASE AT THE END OF EACH LEASE PERIOD.] The  
9 commissioner may make reasonable adjustments of the rental rate at the  
10 end of each 10 [20] year period, based upon changed conditions in  
11 production costs and market.

12 \* Sec. 6. Sections 1 - 3 of this Act take effect January 1, 1983.

13 \* Sec. 7. Section 4 of this Act takes effect July 1, 1982.

SENATE  
LETTER OF INTENT  
CSSB 732(Fin)

The requirement in AS 38.05.250(c), as amended by CSSB 732(Fin), that the commissioner shall automatically extend producing submerged lands leases, also allows the commissioner the discretion, by regulation, to provide for extension of a lease if the lessee satisfactorily demonstrates diligent development of the lease.

The Senate Finance Committee's deletion of language concerning the mining license tax (AS 43.65) in section 2 of the bill occurred at the request of the Department of Revenue. It is the committee's intent that the Department of Revenue undertake a technical analysis of the administration of the existing mining license tax, and that this project shall not address issues beyond the scope of that analysis.

Adopted by Senate as Senate Letter of Intent - 4/7/82

COMMITTEE REPORT  
SENATE

FURTHER:

Date: \_\_\_\_\_

Mr. President:

The Committee on \_\_\_\_\_ has had \_\_\_\_\_

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note *provided By DNR*
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CS SB 732 (Finance)  
 Title Relating to issuance of production licenses of mineral extraction  
 Requested by Senate Finance Date 4-3-82

II. FISCAL DETAIL  
 Agency Affected Department of Natural Resources  
 Program Category Affected Management of Mineral Resources  
 BRU, Program, Or Subprogram(s) Affected Mineral Development  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		38.6	41.6	44.6	48.0	51.6
200 TRAVEL		1.8	0.6	0.7	0.8	0.9
300 CONTRACTUAL		6.0	6.0	6.0	6.6	7.3
400 COMMODITIES		0.9	1.0	1.1	1.2	1.3
500 EQUIPMENT		0.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		47.9	49.2	52.4	56.0	61.1

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		47.9	49.2	52.4	56.0	61.1
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The issuance of production licenses for mining operations will consist of four elements: 1) submission of the application by the miner; 2) adjudication of the application by the Division of Minerals and Energy Management (DMEM); 3) publication of notice of intent to issue the production license by DMEM; and 4) issuance of the license by DMEM.

One new position within DMEM is anticipated to be required to handle this administrative load: A Land Management Officer II. In FY 83 this person will prepare regulations and design an appropriate license form in conjunction with the Department of Law. Issuance of the licenses will start in mid-FY 83. It is anticipated that the work load for this project will remain

(Continuing on attached page)

IV. DATE April 5, 1982 PREPARED BY Jeff Haynes  
 AGENCY Natural Resources, DMEM  
 Original: Legislative Finance PHONE 465-2400  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)



Original sponsor: Resources Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 732 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to mineral extraction from state land;  
7 and providing for an effective date."

8 IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. PURPOSE. The purpose of sec. 2 of this Act is to require a  
10 locator or lessee of locatable mineral deposits on state land to obtain a  
11 license from the Department of Natural Resources authorizing production from  
12 that land. This requirement applies to all existing and future mining opera-  
13 tions on state land. The legislature finds that the requirement is consistent  
14 with the provisions of art. VIII, sec. 11 of the Constitution of the State of  
15 Alaska and believes that it satisfies the requirements of sec. 6(i) of the  
16 Alaska Statehood Act (P.L. 85-508).

17 \* Sec. 2. AS 38.05 is amended by adding a new section to read:

18 Sec. 38.05.207. PRODUCTION LICENSE. (a) An application for a  
19 production license must be filed with the commissioner when a locator of  
20 a mining claim under AS 38.05.195 or a lessee of a mining location under  
21 AS 38.05.205 is prepared to produce minerals for sale in commercial  
22 quantities. The application shall state under oath the location of the  
23 land and ownership of the mineral deposits involved in the mining opera-  
24 tion and the date production began or is expected to begin. Upon receipt  
25 of an application, the commissioner shall publish in a paper of general  
26 circulation in the area of the location notice of the application and  
27 notice that a production license will be issued. The notice may be  
28 combined with notices of other applications either in the same general  
29 area or statewide. Pending completion of this public notice requirement

1 and issuance of the production license, the locator or lessee has the  
2 right to produce minerals from the property.

3 (b) If the commissioner determines under AS 38.05.185(b) that a  
4 locator or lessee has complied as nearly as possible under the circum-  
5 stances of the case with the provisions of AS 38.05.185 - 38.05.280 and  
6 that no conflicting rights are asserted by any other person, the commi-  
7 sioner shall issue a transferable production license for mineral extrac-  
8 tion. If conflicting rights are asserted the commissioner may resolve  
9 the conflict.

10 \* Sec. 3. AS 38.05.345 is amended by adding a new subsection to read:

11 (f) The provisions of this section do not apply to a production  
12 license issued under AS 38.05.207.

13 \* Sec. 4. AS 38.05.140(c) is amended to read:

14 (c) No person may take or hold at one time phosphate leases on  
15 state land exceeding in the aggregate 10,240 acres. No person may take  
16 or hold sodium leases or permits during the life of sodium leases on  
17 state land exceeding in the aggregate acreage 5,120 acres, except that  
18 the commissioner may, where it is necessary in order to secure the  
19 economic mining of sodium compounds, permit a person to take or hold  
20 sodium leases or permits for up to 15,360 acres. No person may take or  
21 hold offshore prospecting permits or leases for minerals subject to  
22 AS 38.05.185 - 38.05.280 exceeding an aggregate of 46,080 acres. No  
23 person may take or hold at any one time oil or gas leases exceeding in  
24 the aggregate 500,000 acres granted on tide and submerged land and  
25 500,000 acres on all land other than tide and submerged land, including  
26 leases held both as lessee and under option or operating agreement from  
27 others. Where more than a single person holds an interest in an oil or  
28 gas lease, each person shall be charged only with that percentage of the  
29 total acreage which corresponds to its percentage share of the total

1 beneficial interest in the lease.

2 \* Sec. 5. AS 38.05.250 is amended to read:

3 Sec. 38.05.250. TIDE AND SUBMERGED LANDS. (a) The exclusive  
4 right to prospect for deposits of minerals subject to AS 38.05.185 -  
5 38.05.275 in or on tide and submerged state lands may be granted by a  
6 permit issued by the director. Permits shall be granted to the first  
7 qualified applicant. No permit may include an area larger than 2,560  
8 acres, subject to the rule of approximation. Lands subject to a  
9 prospecting permit shall be as compact in form as possible taking into  
10 consideration the area involved. The term of the permit shall be seven  
11 [10] years. Prospecting permits shall be conditioned upon payment of  
12 rental against which credit shall be given for useful expenditures on  
13 land covered by the permit or group of contiguous permits under common  
14 ownership or assignment. Excess expenditures may be applied against  
15 rentals due for the following two years. The rental shall be \$3 [\$1]  
16 per acre for the first two-year period of the permit, payable at the end  
17 of the period, and \$1 per acre for each year thereafter, payable at the  
18 end of each year. No minerals from lands under a prospecting permit may  
19 be mined and marketed or used, except for limited amounts necessary for  
20 sampling or testing.

21 (b) Upon discovery, the right to possess and extract the minerals  
22 may be acquired by noncompetitive lease. A noncompetitive lease shall  
23 be granted to a holder of a prospecting permit for so much of the land  
24 subject to the permit as is shown to the satisfaction of the director to  
25 contain workable mineral deposits. Submerged lands containing known  
26 deposits of minerals subject to AS 38.05.185 - 38.05.275 may, in the  
27 discretion of the director, be offered by competitive bid. These lands  
28 shall be leased to the responsible qualified person offering the highest  
29 amount of cash bonus.

1 (c) Leases for submerged lands shall be conditioned upon payment  
2 of an annual rental of \$3 [\$1] an acre. Expenditures on or for the  
3 benefit of the leasehold may be credited against the rental. Rent shall  
4 be paid or a statement of annual labor shall be filed within 90 days  
5 after each anniversary date of the lease. All submerged land mining  
6 leases shall be for a period of up to 10 [55] years, and for so long as  
7 there is production in paying quantities from the leased area. [THE  
8 LESSEE HAS A RIGHT TO A NEW LEASE AT THE END OF EACH LEASE PERIOD.] The  
9 commissioner may make reasonable adjustments of the rental rate at the  
10 end of each 10 [20] year period, based upon changed conditions in  
11 production costs and market.

12 \* Sec. 6. Sections 1 - 3 of this Act take effect January 1, 1983.

13 \* Sec. 7. Section 4 of this Act takes effect July 1, 1982.  
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# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE:

April 2, 1982

### PROPOSED AMENDMENTS -- CSSB 732

1. Amend the title of the Act to read:

"An Act relating to [ISSUANCE OF PRODUCTION LICENSES FOR] mineral extraction from state land;"

2. Add a new Section 4 to read:

\*Sec. 4. AS 38.05.140 (c) is amended to read:

(c) No person may take or hold at one time phosphate leases on state land exceeding in the aggregate 10,240 acres. No person may take or hold sodium leases or permits during the life of sodium leases on state land exceeding in the aggregate acreage 5,120 acres, except that the commissioner may, where it is necessary in order to secure the economic mining of sodium compounds, permit a person to take or hold sodium leases or permits for up to 15,360 acres. No person may take or hold offshore prospecting permits or leases for minerals subject to AS 38.05.185-280 exceeding an aggregate of 46,080 acres. No person may take or hold at any one time oil or gas leases exceeding in the aggregate 500,000 acres granted on tide and submerged land and 500,000 acres on all land other than tide and submerged land, including leases held both as lessee and under option or operating agreement from others. Where more than a single person holds an interest in an oil or gas lease, each person shall be charged only with that percentage of the total acreage which corresponds to its percentage share of the total beneficial interest in shares.

2. Add a new section 5 to read:

\*Sec. 5. AS 38.05.250 is amended to read:

Sec. 38.05.250. Tide and submerged lands. (a) The exclusive right to prospect for deposits of minerals subject to sections 185--275 of this chapter in or on tide and

submerged state lands may be granted by a permit issued by the director. Permits shall be granted to the first qualified applicant. No permit may include an area larger than 2,560 acres, subject to the rule of approximation. Lands subject to a prospecting permit shall be as compact in form as possible taking into consideration the area involved. The term of the permit shall be 7 [10] years. Prospecting permits shall be conditioned upon payment of rental against which credit shall be given for useful expenditures on land covered by the permit or group of contiguous permits under common ownership or assignment. Excess expenditures may be applied against rentals due for the following two years. The rental shall be \$3 [\$1] per acre for each year thereafter, payable at the end of each year. No minerals from lands under a prospecting permit may be mined and marketed or used, except for limited amounts necessary for sampling or testing.

(b) Upon discovery, the right to possess and extract the minerals may be acquired by noncompetitive lease. A noncompetitive lease shall be granted to a holder of a prospecting permit for so much of the land subject to the permit as is shown to the satisfaction of the director to contain workable mineral deposits. Submerged lands containing known deposits of minerals subject to SS 185--275 of this chapter may, in the discretion of the director, be offered by competitive bid. These lands shall be leased to the responsible qualified person offering the highest amount of cash bonus.

(c) Leases for submerged lands shall be conditioned upon payment of an annual rental of \$3 [\$1] an acres. Expenditures on or for the benefit of the leasehold may be credited against the rental. Rent shall be paid or a statement of annual labor shall be filed within 90 days after each anniversary date of the lease. All submerged land mining leases shall be for a period of up to 10 [55] years, and shall be automatically extended if and for so long as there is production in paying quantities from the leased area. [THE LESSEE HAS A RIGHT TO A NEW LEASE AT THE END OF EACH LEASE PERIOD.] The commissioner may make reasonable adjustments of the rental rate at the end of each 10 [20] year period, based upon changed conditions in production costs and market.

3. Amend Sec. 4 of this Act to read:

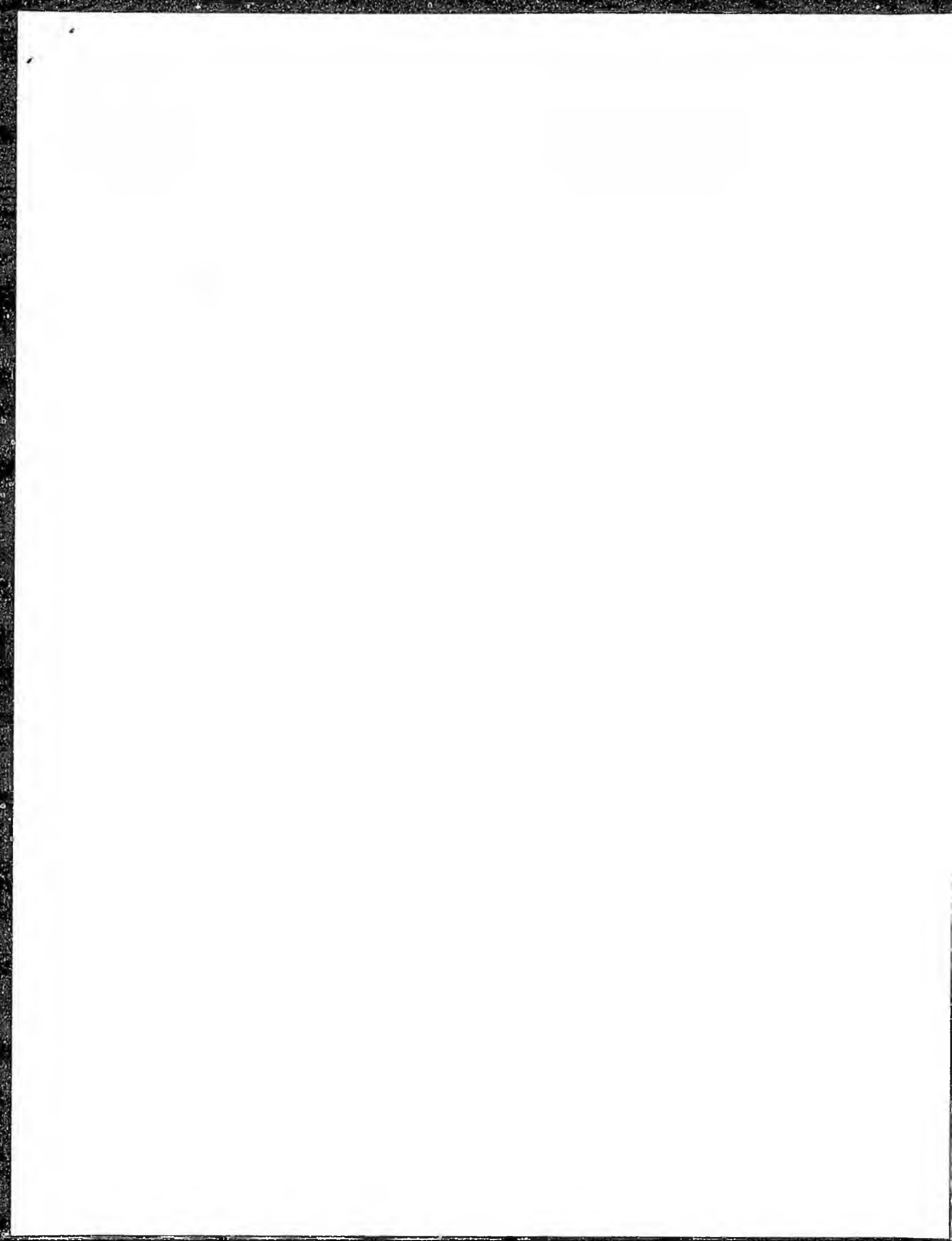
\*Sec. 6[4]. Sections 1-3 of this Act take effect on January 1, 1983.

4. Add a new section 7 to read:

"Section 4 of this Act takes effect on July 1, 1982."

5. Page 2, line 10 - Delete the last sentence of (b) of Section 2.

Note: The Department of Revenue has requested this change because it is about to initiate a review of AS 43.65 (the mining license tax). If the Department of Revenue adopts different standards for the initiation of production than those expressed in this sentence, mining operations on state lands would be treated differently from operations on federal or private lands.



THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 732

Title An Act relating to issuance of production licenses for

Requested by mineral extraction from State land Date February 11, 1982

Requested by: Resources Committee

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, Or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) None

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See attached memo to R. D. Stevenson.

IV. DATE February 11, 1982 PREPARED BY Robert R. Kessel

AGENCY Department of Revenue

Original: Legislative Finance PHONE 465-2320

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

*Robert R. Kessel*

# MEMORANDUM

State of Alaska

Department of Revenue

TO: R. D. Stevenson  
Special Assistant

DATE: February 11, 1982

FILE NO:

TELEPHONE NO:

FROM: Robert R. Kessel  
Director, Audit Division *RR*

SUBJECT: SB 732

SB 732 provides that an application for a production license must be filed with the Commissioner of the Department of Natural Resources when a locator of a mining claim under AS 38.05.195 or a lessee of a mining location under AS 38.05.205 (deposits on State land) is prepared to produce minerals for sale in commercial quantities. If certain conditions are met, the Commissioner of the Department of Natural Resources shall issue a transferable production license for mineral extraction.

The production license will serve as the certification notice which is required under AS 43.65.010 for tax exemption from the mining license tax (exemption applies for three and one-half years after production begins).

The Audit Division looks favorably upon this bill. Currently, there appears to be limited control over mining operations as relates to production commencement data. The information currently received by the Department of Revenue from the Department of Natural Resources is not current nor conclusive. The Department of Revenue therefore has had trouble determining the point of tax exemption. In other words, if a record is not created regarding the actual commencement date of production, the Department of Revenue has had to rely on the good faith of the taxpayer in determining the production commencement date.

The issuing of a production license and the maintaining of a copy in the taxpayer's Mining License Tax file will provide adequate cross reference for the Revenue Department to properly determine beginning date of tax exemption. Many tax dollars could be collected because a loophole would be closed.

RRK/gb